lack of any means of increasing the currency to t increasing demands at particular seasons; the

UNEQUAL DISTRIBUTION OF CURRENCY

ich creates widely ranging rates of interest in erent localities; the use of silver coins so far be- their bullion value as to encourage counterfeit- . The second and ninth defects read in full as ows:

The continuance in circulation of Government mises to pay, which, when made a legal tender, nstitute a forced loan, which are secured only by h resources as the exercise of the taxing power n render available, and which are payable only at will of the debtor.

The circulation of a National bank currency sed upon Government bonds presupposing a con- uing issue of those bonds, diminishing the loanable nds of the banks, and, by reason of their bond sis, incapable of increasing in volume with a tem- rary demand for more currency, and of decreas- g with the cessation of that demand.

To meet the assertion of those who are inciting e lower classes against the gold standard, the Re- rt states that: "All history is evidence that the ople who suffer most from a degradation of the andard are not the rich but the poor." This state- ent is not open to question, but we qualify it by ying that the indirect injury done to the less well -do classes by a degraded standard is enhanced by e disturbance to credit, and hence to trade, which rnishes employment to the poor, from which arises e direct injury inflicted on the rich by a degraded andard. That

SOME STANDARD OF VALUE IS A NECESSITY

admitted, we believe unconsciously even by bimet- lists and free silverites. The very phrase "16 to 1" any other relation of the currency values of silver gold necessarily involves some fixed standard of alue being given to the 1 (one) in regard to which e other metal, silver, stands in the proportion of 16 1. When we say that a pint is one-eight of a allon, we imply that the capacity of the gallon is xed, it has a standard of capacity. If the gallon variable in capacity, it is absurd to speak of a pint aving any fixed proportion to it, for we cannot de- are the proportion which exists between one thing d another when the capacity of the object in re- ard to which the comparison is based is unknown. wo is half of four, when four means four units, but "four" means sometimes four and a half, or five nits, or six, then the proportion to it of "two" is ascertainable, or, it may be known by declaring that hatever "four" is at any time, then "two" is half of . Whichever way we twist this problem we see e necessity of some one thing being a fixed stand- rd and the phrase "16 to 1," as applied to silver and old implies that gold is the standard of value by h the value of silver has to be estimated. When, refore, the silverites, or bimetallists, demand that shall not be the standard of value, but that the value of silver shall always have a definite proportion to that of gold, they are demanding what is a con- tradiction in terms. They admit gold to be the supreme regulator, or standard of value, by insisting that silver shall be valued at a certain proportion of, or to, the value of gold. When one ounce of gold will buy a five bushels of wheat, they demand that sixteen ounces of silver shall buy the same quantity. They forget, however, that the seller of wheat can demand payment in whatever currency he desires, and he can refuse to part with his wheat unless pay- ment is tendered in a form of money which he is willing to accept, and he can fix his price according to his judgment as to the value of what is tendered in payment. We contend that this goes to the very root of the currency question, not in the States only, but everywhere. If the standard of currency value is degraded, then sellers of goods demand more of it than when it is at par, until, as occurred in Paraguay, a gold dollar may become worth $4.50 of each the Government's paper dollars. In that State the paper money became so degraded in value it was wiped out, and the entire Government currency was de- clared irredeemable and worthless. The American people had a sharp

OBJECT LESSON IN 1893

and at other periods as to the disturbance of confid- ence, which is the very life of trade, caused by fears as to whether the national obligations were certain to be redeemed in gold. The public securities were rushed in for redemption; public credit was upset; trade was paralysed; thousands were ruined; and tens of thousands thrown out of work. Yet the Amer- ican Government during all this time had an enorm- ous stock of silver on hand, of which its creditors, practically, took no account as to them; it was not an acceptable form of money, and, therefore, was un- available for the redemption of securities. Had the value of that silver been held in gold, there would have been no panic, for the disasters of which the vicious currency legislation was responsible had been chiefly caused by an enormous lock-up of public money in a metal that cannot be used for redeeming obliga- tions due to foreign creditors.

THE CONFERENCE AT INDIANAPOLIS RESOLVED

that the means necessary to establish and preserve popular confidence in the continued maintenance of the gold standard are:—

1. An explicit legislative definition of the gold standard and a pledge that it will be maintained.

2. A requirement that all obligations, public and private, unless otherwise stipulated in the contract, shall be payable in conformity with that standard.

3. The adoption of a plan for the gradual retirement of the note issues of the Government.

The suggestion is made to issue further silver cer- tificates for small denominations, say of $1, $2 and $5, in order to retire United States' notes, Treasury notes of 1890, and National Bank notes of those amounts. As these certificates are as properly ex-